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September 8, 2006

Mr. Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 Seventeenth Street, N. W.
Washington, D.C., 20429

RE: Deposit Insurance Assessments and FHLBank Advances

Dear Mr. Feldman:

As the President/CEO of a small community bank in northeastern Pennsylvania and member of the FHLBank of Pittsburgh, I write to you in regard to the Federal Deposit Insurance Corporation (FDIC) Notice of Proposed Rulemaking and Request for Comment on Deposit Insurance Assessments. Specifically, I write to address the FDIC's request for comment on whether Federal Home Loan Bank (FHLBank) advances should be included in the definition of volatile liabilities or, alternatively whether higher assessment rates should be charged to institutions that have significant amounts of secured liabilities. I believe that enacting this rule will be harmful to smaller community banks that utilize the funding to generate residential and consumer loan transactions, and the affordability and access to the housing market.

By penalizing the use of FHLBank advances, institutions will be forced to either seek less attractive, potentially more expensive funding or curtail their residential lending. In either case, consumers and especially those on the lower end of the economic scale will be hurt by higher costs and a tighter credit.

In 2000, my bank had \$45 million dollar in assets and operated out of one office. The writing was on the wall, that if we were going to continue to operate as an independent community bank, we were going to have to grow. In 2002, we opened our first de novo branch and in 2004, opened our second de novo branch. Without the FHLBank of Pittsburgh's advances, we would not have been able to grow the bank to the \$81 million bank we are today. Penalizing community banks with higher assessments will be counter-productive to the financial industry, but more importantly to our customers.

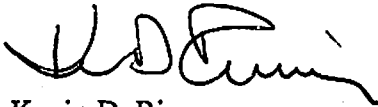
When Congress created the FHLBank System, its goal was a steady stream of mortgage credit through advances. Congress reiterated its support of advances by expanding access to this funding in the Gramm-Leach-Bliley Act. This proposal, which seeks to penalize the judicious use of advances, runs contrary to the actions and intent of that Congress.

I sincerely hope you will strongly reconsider any re-classifying of these assets and charging higher FDIC deposit insurance rates to those institutions, such as mine, who utilize these advances in a financially prudent manner.

Thank you for the opportunity to comment on this important matter.

Sincerely,

Bank of Canton

A handwritten signature in black ink, appearing to read 'K. D. Rimmey', written in a cursive style.

Kevin D. Rimmey
President/CEO